



# Taiwan Insecurity of China

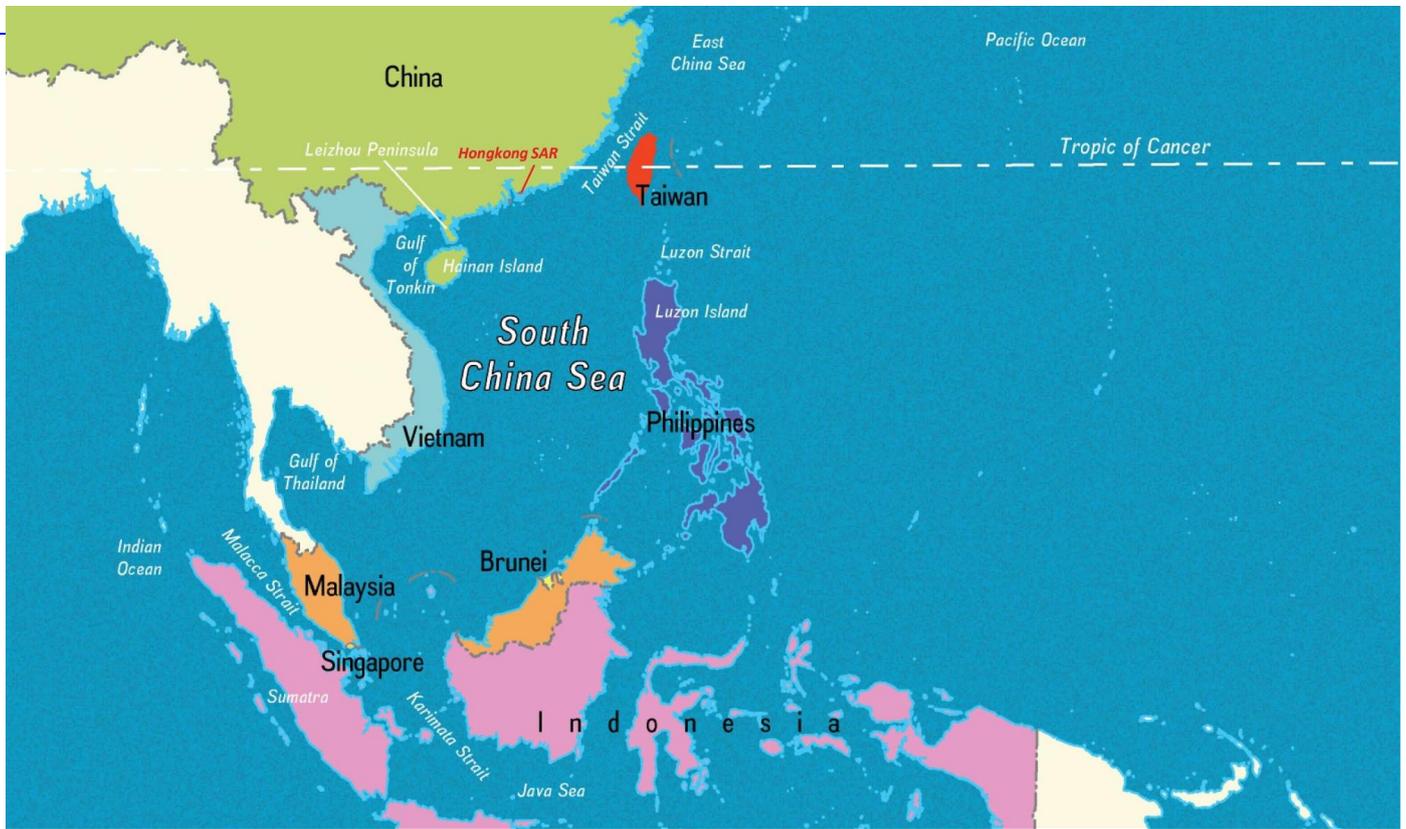
## Why in News

Recently, China has objected to any official exchanges between India and [Taiwan](#).

## Key Points

- **Chinese Concern:** The statement from China came in response to reports that India and Taiwan were considering going forward with **talks on a trade deal**.
  - China believes the '[One-China principle](#)' is a universal consensus of the international community, including India.
  - China also objected to the recent **campaign (posters and social media)** in India **wishing Taiwan “Happy National Day”** (October 10) and referring to it as a **“country” or a “nation”**.
  - China is also opposing inclusion of Australia in the upcoming [Malabar naval exercise](#) with India, Japan and the United States.
- **India-Taiwan Relations**
  - India and Taiwan do not maintain formal diplomatic relations. The areas of cooperation between India and Taiwan have been limited due to negligible political relations.
  - **From 1995 to 2014**, the bilateral trade turnover has grown manifold from just \$934 million to \$5.91 billion.
  - **Technology:** In the field of science and technology, there are more than thirty ongoing government-funded joint research projects.
    - In August 2015, the Taiwan-based Foxconn, one of the largest hardware manufacturers in the world, announced an investment of \$5 billion in India.
    - India and Taiwan **in 2018** signed a **bilateral investment agreement**. India-Taiwan trade ties have been **expanded** and Taiwanese firms are **prominent investors in India**,
    - Taiwan has for long been a world leader in high-tech hardware manufacturing, and can contribute much to the [“Make in India”](#), [“Digital India”](#) and [“Smart Cities”](#) campaigns.
    - Taiwan’s agro-technology and food processing technology can also be very beneficial for India’s agriculture sector.
  - Both sides have also expanded **educational exchanges** after a mutual degree recognition agreement in higher education was **signed in 2010**.
- **Challenges:**
  - **One China policy:** India finds it difficult to realise the full potential of its bilateral relationship with Taiwan. At present, about 16 countries worldwide continue to recognise Taiwan as an independent state. India is not among the sixteen countries.
  - **Trade & Investment:** The economic exchange is still relatively insignificant. Taiwan’s share of trade with India is around 1% of its global trade.

## Taiwan



- Taiwan - the Republic of China (ROC), home to **twenty-three million people**, is an island **off the southern coast of China** that has been governed independently from mainland China since **1949**.
- Its neighbours include China (officially the People's Republic of China, PRC) to the west, Japan to the northeast, and the Philippines to the south.
- Taiwan is the most populous state that is not a member of the United Nations and the largest economy outside the UN.
- Taiwan is Asia's 5<sup>th</sup> largest economy.
- It is a global leader in chip manufacture and the second-largest manufacturer of IT hardware, etc.
- **China's Claim:** The People's Republic of China (PRC) views the island as a province, while in Taiwan—a territory with its own democratically elected government—leading political voices have differing views on the island's status and relations with the mainland.
  - China and Taiwan maintain a fragile relationship, which has improved during the past seven years but is periodically tested.

## Way Forward

- Taiwan has invested heavily on China studies. India should take advantage of this fact. Resource rich India can benefit from Taiwan's technology. For instance, India has abundant natural bamboo resources while Taiwan owns the world-class bamboo charcoal technology. With this sort of technology, India can make use of its bamboo resources to produce high value-added goods.
- With the recent appointment of a senior diplomat to serve as the **new envoy to Taiwan**, India has signalled a shift in its One-China policy (although not officially abandoned) a clear indication of taking forward the diplomatic relationship with Taiwan.

**Source:** [TH](#)

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